

Kathmandu University Innovation and Research Based Business Development Support Policy Guideline

1. Preamble

- a. Kathmandu University Business Incubation Center (KUBIC) was established in 2014 with the mission to create a center of competence to facilitate and support high potential ideas from Students/Researchers/Individual Inventors into products and businesses. KUBIC envisioned to build on itself to a cross-cutting business incubation unit within the University to create an integrated platform for the relevant stakeholders to leverage their technical and technological knowhow, resources, and services in launching successful start-up companies. The incubation is expected to support the business proposal by providing workspace and office facilities, as well as counselling/training to develop, sustain, and prosper within an agreed upon time frame with the goal of having them 'graduate' with a solid financial foundation.
- b. Other programs/projects \are also supporting the innovation and research-based business incubation and development within KU and outside KU in various thematic areas.
- c. To streamline the business development support through KUBIC/programs/projects within KU (Incubator) and for the sustainability of these activities, this policy guideline has been prepared.
- d. The guidelines may be amended, as and when required in consultation among RDI and existing programs/projects supporting business development within KU. These amendments will be published on the KU website and will be effective immediately upon publication.
- e. The business incubation/development support programs should incorporate trainings and/or capacity building activities too.

2. Objectives of KU Business development support

- a. Commercialization of potential innovation, invention, and research for product or service development ideas.
- b. Facilitating the formation and development of start-up businesses to the point of sustainable growth.
- c. Educating startup students/companies/entrepreneur about the process of new venture development to improve their potential for future entrepreneurial success.
- d. Conduct training and capacity building workshops
- e. Creating an entrepreneurial community to give students the experience of learning through mutual support, a process critical for successful entrepreneurship.

3. Sustainability of KU Business development support

- a. The business incubated will be contracted through incubator, on behalf of KU. Incubatee will have to donate the supported amount or equivalent to KUBIC on successful operation of the business or the support will be converted to equity stake on the venture. On failure on business, incubator will not incur the loss/ payables of the incubees.

4. Program Description

a. Training/capacity building activities

- i. The objective of the Program is to encourage the aspirant entrepreneurs and individuals to train about the business, and business development capacity.
- ii. It aims to train and support start-ups to develop them sustainable enterprises that can provide employment and contribute to economic growth.

b. Business Incubation

- i. This support will be preferred to the ones who has attended the training provided by incubators within KU or has participated in similar trainings or has already developed a proof of concept that can be commercialized. The intention of the Program is to support successful development of entrepreneurial start-up companies/ideas that market the innovative renewable energy related products and services resulting from the R&D activities.
- ii. The incubation fund will be awarded to an individual or enterprise established within 3 years with a business plan with possibility of expansion or an business enthusiast with the business idea.
- iii. The incubator can select the theme, it will be supporting in it's call
- iv. The incubation support will be available on a cost sharing basis between the program and private sector partner(s). It is available for infrastructure and business development services necessary to mentor and grow enterprises to ensure that within 2 to 3 years, the enterprises will graduate to a level of self-sustainability by providing products and services to the market.
- v. The fund allocated for Incubation Support Program is effective for the agreement period and on unsuccessful execution of the plan, the incubate has to refund the amount released from incubator.
- vi. The fund can be used for infrastructure development, purchase of equipment or construction/development of products. It cannot be used for salary, DSA and field expenses.

5. General Conditions for business support activities

a. Training

- i. The trainee should submit a business plan by the end of the training.

b. Incubation

- i. Applicants that have active fundings from incubators within KU are excluded from participation.
- ii. Non-performance and non-compliance to the conditions required for sustainable incubation may result in discontinuation of further support and refund of unspent fund.

6. Fund Support through business incubation

- a. The fund approval will be based on the submitted applications, followed by a presentation.
- b. All payments will be made directly to the incubatee's primary bank account.
- c. Incubators within KU will invest in the business up to 50% of total budget or the provision of incubator.

7. Monitoring and Evaluation

- a. Incubatee will be monitored to assess how the incubation support is contributing to the intended outcomes and the utilization of the fund provided.
- b. Recipients will be required to facilitate the incubator for periodic monitoring visit.
- c. Recipients are also required to the reports as per the requirement of incubator.

8. Application procedure

- a. Training
 - i. An application needs to be submitted in the prescribed format available at the website of KU and/or incubator's website along with a motivational letter
- b. Business incubation
 - i. A proposal needs to be submitted with following headings:
 - Executive summary
 - About the aspirant: status, goals, strategies including organogram etc.
 - About the product: raw materials and resources, availability, uniqueness, quality control
 - About the business model: product/service development, marketing strategies etc.
 - Operational plan: funding structure, sources, financial forecasting, sustainability and exit strategies etc.
 - ii. The application needs to be submitted in hardcopy or through email in the address mentioned in the call.

9. Evaluation Team and Evaluation Criteria

- a. Training
 - i. The applicant will be evaluated based on the motivation & commitment of trainee.
 - ii. Evaluation team comprises of at least 3 members representing KU/School based upon the incubator, incubator and an independent expert appointed by incubator.
- b. Business incubation
 - i. The applicant will be evaluated based on the following evaluation criteria:
 - Management competency with business background and entrepreneurial and leadership skills (attending trainings provided by KUBIC/projects/programs within KU or institutions supporting business incubations are considered as experienced). (50%)
 - Quality of Business proposal (Idea development, technical feasibility, market study and analysis, investment model, sustainability, Networking & marketing strategy and potential, realistic exit strategy and post incubation plan). (50%)

The proposal will be evaluated based on above criteria.

1. Appendix A: Detailed Guidance for the Proposal

Applicants for the BI should ensure that their proposals cover aspects as outlined below:

1. EXECUTIVE SUMMARY

- Objectives and description of the project.
- Brief history and background to the project.
- Products and services
- Financing required

2. THE INCUBATOR CHARACTERISATION / CONCEPT

- Overview of incubator organisation and strategy.
- Track record if the incubator has been in existence
- Current status
- Unique characteristics and advantages of incubator
- Key stakeholders

3. MARKETING PLAN

- How will the target market be defined and reached
- Analysis of the market and its potential (trends, competition, comparative advantages)

4. OPERATIONAL PLAN

- Procedures for reaching objectives;
- Incubate recruitment, pre-incubation and assessment;
- Incubation period,
- Exit strategy and post incubation strategy